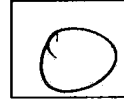


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01392A
Oak Creek Water Co., No 1
90 Oak Creek Blvd
Sedona, AZ 86336

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-17-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Oak Creek Water Co. No. 1

Mailing Address 90 Oak Creek Blvd
(Street)
Sedona, AZ 86336
(City) (State) (Zip)

(928) 282-3404 (928) 282-5558 (928) 300-3835
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address info@oakcreekwater.com

Local Office Mailing Address (same)
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Dick Sitts President
(Name) (Title)

45 Sycamore Canyon Road, Sedona, AZ 86336
(Street) (City) (State) (Zip)

(928) 282-3404 (928) 282-5558 (928) 300-3835
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address info@oakcreekwater.com

On Site Manager: Steve Yerich
(Name)

18 Tanager Lane, Sedona, AZ 86336
(Street) (City) (State) (Zip)

(928) 282-3404 (928) 282-5558 (928) 300-3835
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address steveyerich@oakcreekwater.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Ronald N. Rovey
(Name)

1785 W Highway 89A, Suite 3-I, Sedona, AZ 86336
(Street) (City) (State) (Zip)

(928) 282-1155
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Same as Statutory Agent
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|-------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---------------------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: Oak Creek Water Co. No. 1

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	4,277	1,354	2,923
303	Land and Land Rights	19,884	-	19,884
304	Structures and Improvements	301,173	95,623	205,550
307	Wells and Springs	101,588	35,816	65,772
311	Pumping Equipment	59,792	53,773	6,019
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs and Standpipes	160,246	131,898	28,348
331	Transmission and Distribution Mains	570,095	405,691	164,404
333	Services	19,747	11,523	8,224
334	Meters and Meter Installations	32,925	30,729	2,196
335	Hydrants	5,759	5,049	710
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	600	20	580
340	Office Furniture and Equipment	5,194	3,969	1,225
341	Transportation Equipment	25,636	25,636	-
343	Tools, Shop and Garage Equipment	45,856	45,519	337
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	38,432	30,915	7,517
347	Miscellaneous Equipment	1,493	1,493	-
348	Other Tangible Plant	-	-	-
	TOTALS	1,392,698	879,008	513,690

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Oak Creek Water Co. No. 1

CALCULATION OF DEPRECIATION EXPENSES FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization Costs	-		-
302	Franchises	4,277	0.00%	-
303	Land and Land Rights	15,812	0.00%	-
304	Structures and Improvements	274,646	3.33%	9,220
307	Wells and Springs	101,588	3.33%	3,383
311	Pumping Equipment	51,819	12.50%	6,771
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs and Standpipes	160,246	2.22%	3,557
331	Transmission and Distribution Mains	568,888	2.00%	11,380
333	Services	15,352	3.33%	609
334	Meters and Meter Installations	30,574	8.33%	(1,331)
335	Hydrants	5,759	2.00%	115
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		20
340	Office Furniture and Equipment	4,422	6.67%	299
341	Transportation Equipment	25,636	20.00%	-
343	Tools, Shop and Garage Equipment	45,856	5.00%	23
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communication Equipment	33,445	10.00%	3,511
347	Miscellaneous Equipment	1,493	10.00%	-
348	Other Tangible Equipment	-		-
	TOTALS	1,339,813		37,557

This amount goes on Comaprative Statement of Income and Expense
Acct. No, 403.

COMPANY NAME: Oak Creek Water Co. No. 1

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 75	\$ 75
134	Working Funds	14,275	49,217
135	Temporary Cash Investments	352,807	330,180
141	Customer Accounts Receivable	16,581	13,533
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	8,582	8,582
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	26,100	9,611
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 418,420	\$ 411,198
	FIXED ASSETS		
101	Utility Plant in Service	TOTALS	\$ 1,392,698
103	Property Held for Future Use		
105	Construction Work in Progress	-	-
108	Accumulated Depreciation - Utility Plant	(1,392,698)	(879,008)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ (1,392,698)	\$ 513,690
	TOTAL ASSETS	\$ (974,278)	\$ 924,888

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,281	3,400
237	Accrued Taxes	9,193	9,175
241	Miscellaneous Current and Accrued Liabilities	210	-
	TOTAL CURRENT LIABILITIES	\$ 10,684	\$ 12,575
	LONG-TERM DEBT (Over 12 Months)		
224	Long Term Note and Bonds	\$ -	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	217,888	217,888
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	355,130	361,809
272	Less: Amortization of Contributions	(12,048)	(316,845)
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	\$ 560,970	\$ 262,852
	Total Liabilities	\$ 571,654	\$ 275,427
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value	17,605	17,605
215	Retained Earnings	620,273	638,533
218	Property Capital (Sole Props and Partnerships)	-	-
	Total Capital	\$ 637,878	\$ 656,138
	TOTAL LIABILITIES AND CAPITAL	\$ 1,209,532	\$ 931,565

COMPANY NAME: Oak Creek Water Co. No. 1

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 265,367	\$ 274,622
460	Unmetered Water Revenue		
474	Other Water Revenues	5,984	6,151
	TOTAL REVENUES	\$ 271,351	\$ 280,773
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 122,460	\$ 128,742
610	Purchased Water		86
615	Purchased Power	42,810	43,207
618	Chemicals	-	-
620	Repairs and Maintenance	25,549	15,147
621	Office Supplies and Expenses	9,262	12,933
630	Outside Services	7,116	6,280
635	Water Testing	2,481	2,747
641	Rents	75	-
650	Transportation Expenses	5,134	3,558
657	Insurance - General Liability	5,040	5,582
659	Insurance - Health and Life	9,418	15,948
666	Regulatory Commission Expense - Rate Case	-	5,398
675	Miscellaneous Expense	3,001	3,378
403	Depreciation Expense	40,777	37,557
408	Taxes Other Than Income	9,489	21
408.11	Property Taxes	12,418	11,487
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 295,029	\$ 292,071
	OTHER INCOME/EXPENSES		
419	Interest and Dividend Income	\$ 16,501	\$ 17,373
421	Non-Utility Income	11,826	12,200
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(91)	(15)
	Total Other Income/Expenses	\$ 28,236	\$ 29,558
	Net Income/Loss	\$ 4,558	\$ 18,260

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603919	30	130	125	8" – 7"	3"	1964
55-603920	30	80	600	8" – 7"	3'	1978
55-562092	75	320	590	10"	4"	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	47	
7.5	1		
5	1		
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
150,000	1	5,000	1
84,000	1	1,600	1
60,000	2	1,500	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	GAV	650
3		
4	PVC	6,104
5		
6	PVC	42,913
8		
10		
12		
1 1/4	GAV	700
2	PVC	820
8	Ductile iron	303

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	658
1	18
1 1/2	19
2	8
Comp. 3	
Turbo 3	
Comp. 4	12
Tubo 4	
Comp. 6	2
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Office / Storage	76' X 26'	Pump House	6' X 8'
Metal Storage Shed	8' X 10'	Pump House	16' X 10'
Well House	6' X 8'	Pump House	16' X 8'

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	695	6,167	6,753	
FEBRUARY	703	4,711	5,128	0.03
MARCH	697	6,192	6,752	
APRIL	695	7,535	8,079	
MAY	702	10,122	11,155	
JUNE	700	10,122	11,529	
JULY	708	10,123	11,118	
AUGUST	708	9,997	10,978	0.43
SEPTEMBER	710	8,292	9,145	
OCTOBER	708	8,710	9,674	
NOVEMBER	719	6,930	7,639	
DECEMBER	720	4,877	5,164	
TOTALS →		94,346	103,114	

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.) August 2007 Samples

Well # 2 = .0085 , Well # 3 = .0089, Well # .0087

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

COMPANY NAME _____ YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 10,544.16

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

OAK CREEK WATER CO., NO. 1

BANK OF AMERICA, ARIZONA

90 OAK CREEK BLVD.
SEDONA, AZ 86336
(928) 282-3404

91-170/1221

4/24/2007

PAY TO THE ORDER OF Yavapai Cnty Treasurer

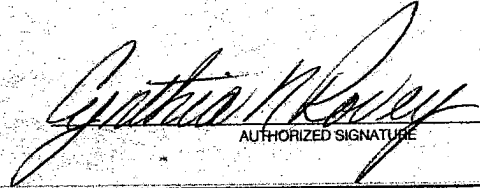
\$ **5,646.22

Five Thousand Six Hundred Forty-Six and 22/100*****

DOLLARS

Yavapai Cnty Treasurer
1015 Fair Street
Prescott, AZ 86305

MEMO parcels 918-70-976, 918-70-970


AUTHORIZED SIGNATURE

⑈006958⑈ ⑆122101706⑆ 000252410980⑈

⑈0000564622⑈

05032007 1615

400 0003

024 4816

05032007

US DATE 05/03/07 001

05/03/07 12:59

918709700001 AZ

20658264

CREDITED TO PAYEE AEG
>111901331< PHX ALEX
JPMORGAN CHASE BANK NA
FT WORTH, TX

OAK CREEK WATER CO., NO. 1

BANK OF AMERICA, ARIZONA

90 OAK CREEK BLVD.
SEDONA, AZ 86336
(928) 282-3404

91-170/1221

10/9/2007

PAY TO THE ORDER OF Yavapai Cnty Treasurer

\$ **11.86

Eleven and 86/100*****

DOLLARS

Yavapai Cnty Treasurer
1015 Fair Street
Prescott, AZ 86305
AUTHORIZED SIGNATURE

MEMO 408-26-500

⑈007117⑈ ⑆122101706⑆ 000252410980⑈

⑈0000001186⑈

10152007 1015 CREDITED TO PAYEE AEG
 027 1766 10/15/07 0272136 >111901331< PHX RLEK
 19132697 111901331 1 408265000 01/17/07 JPMORGAN CHASE BANK NA
 111901331 1 0210688204 FT WORTH, TX
 4340499602 3330050228

2007 PROPERTY TAX NOTICE

ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PRIMARY PROPERTY TAX	LESS STATE AID TO EDUCATION	NET PRIMARY PROPERTY TAX	SECONDARY PROPERTY TAX	SPECIAL DISTRICT TAX	TOTAL TAX DUE FOR 2007
408-26-500 6	0976	4.5882	2.8418		7.32	0.00	7.32	4.54	0.00	11.86
LIMITED LAND, BLDGS, ETC. LIMITED PERSONAL PROPERTY LIMITED TOTALS FULL CASH/LAND FULL CASH/BUILDINGS ETC. FULL CASH/PERSONAL PROPERTY FULL CASH TOTALS										
1,000	0	18.0	0	0	4.8432	0.00	4.8432	0.00	0.00	4.84
1,000	0	0.0	0	0	0.0000	0.00	0.0000	0.00	0.00	0.00
1,000	0	18.0	0	0	2.8418	0.00	2.8418	0.00	0.00	2.84
1,000	0	0.0	0	0	0.0000	0.00	0.0000	0.00	0.00	0.00
1,000	0	0.0	0	0	0.0000	0.00	0.0000	0.00	0.00	0.00
1,000	0	0.0	0	0	0.0000	0.00	0.0000	0.00	0.00	0.00
1,000	0	0.0	0	0	0.0000	0.00	0.0000	0.00	0.00	0.00

JURISDICTION	2005 TAXES	2007 TAXES
02000 YAVAPAI COUNTY	2.66	2.48
07009 SEDONA OAK CREEK SD	4.17	3.28
07983 SEDONA-OAK CRK #8 MI	0.28	0.28
08150 COMMUNITY COLLEGE	2.65	2.43
11208 SEDONA FD	2.80	2.80
11900 FIRE DISTRICT ASSIST	0.14	0.13
14900 YAVAPAI COUNTY LIBRA	0.16	0.16
15001 YAVAPAI FLOOD CONTR	0.32	0.28
30000 VALLEY ACADEMY EDUCA	0.08	0.08
TOTALS	13.26	11.86

10-9-07
PAID
 \$1186 IN FULL
 ✓ # 7117

408-26-500 6
 0026000 01 AV 0.912 **AUTO Y2 0 0706 863306-584300

OAK CREEK WATER CO #1
 90 OAK CREEK BLVD
 SEDONA AZ 86338-5843

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2007. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2008. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

Make your check payable to and mail to:

Ross D. Jacobs
 Yavapai County Treasurer
 1015 Fair Street
 Prescott AZ 86305-1807

PLEASE INCLUDE YOUR
 PARCEL NUMBER
 ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
 AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

2007 PROPERTY TAX NOTICE

ARIZONA

PARCEL #	AREA CODE	VALUE IN DOLLARS	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PRIMARY PROPERTY TAX	LESS STATE AID TO EDUCATION	NET PRIMARY PROPERTY TAX	SECONDARY PROPERTY TAX	SPECIAL DISTRICT TAX	TOTAL TAX DUE FOR 2007
918-70-978 0	0978	4,5682	2.8418	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62
UNITED LAND BLDGS. ETC		58,300	0.0	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62
UNITED PERSONAL PROPERTY		58,300	0.0	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62
FULL CASH LAND		58,300	0.0	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62
FULL CASH PERSONAL PROPERTY		58,300	0.0	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62
FULL CASH TOTALS		58,300	0.0	0.0000	0.00	650.18	0.00	650.18	404.48	0.00	1,054.62

JURISDICTION	2006 TAXES	2007 TAXES
02000 YAVAPAI COUNTY	240.48	217.84
07009 SEDONA OAK CREEK SD	377.55	289.98
07893 SEDONA-OAK CRK #9 MI	25.21	23.37
08150 COMMUNITY COLLEGE	240.79	216.69
11208 SEDONA FD	254.26	249.08
11800 FIRE DISTRICT ASSIST	13.00	11.80
14900 YAVAPAI COUNTY LIBRA	14.82	14.46
15001 YAVAPAI FLOOD CONTR	28.81	24.52
30000 VALLEY ACADEMY EDUCA	7.26	7.12
TOTALS	1,202.18	1,054.62

PAID

1st HALF 527th

10-10-07

V# 7118

PAID

2ND HALF 527th

2-20-08 V# 5044

918-70-978 0

008713 NM

OAK CREEK WATER CO #1

C/O DICK SITTS

80 OAK CREEK BLVD

SEDONA AZ 86336

918-70-978 0

008713 NM

OAK CREEK WATER CO #1

C/O DICK SITTS

80 OAK CREEK BLVD

SEDONA AZ 86336

PLEASE INCLUDE YOUR

PARCEL NUMBER

ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK

AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PAGE 02 OF 02

ROSS D. JACOBS

Yavapai County Treasurer

1015 Fair Street

Prescott AZ 86305-1807

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2007. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2008. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

Make your check payable to and mail to:

ARIZONA

2007 PROPERTY TAX NOTICE

PARCEL #
918-70-970 2

VALUE IN DOLLARS
0970

PRIMARY TAX RATE PER \$100 ASSESSED VALUE
4.5882

SECONDARY TAX RATE PER \$100 ASSESSED VALUE
2.8418

IRRIGATION DISTRICT \$ PER ACRE
0.00

PRIMARY PROPERTY TAX
5,478.54

LESS STATE AID TO EDUCATION
0.00

NET PRIMARY PROPERTY TAX
5,478.54

SECONDARY PROPERTY TAX
3,239.00

SPECIAL DISTRICT TAX
0.00

TOTAL TAX DUE FOR 2007
8,717.54

2007 TAXES

02000 YAVAPAI COUNTY	2,058.85	1,833.94
07009 SEDONA OAK CREEK SD	3,232.19	2,443.31
07993 SEDONA-OAK CRK #9 MI	215.81	196.92
08150 COMMUNITY COLLEGE	2,061.47	1,825.90
11208 SEDONA FD	2,176.77	2,098.74
11900 FIRE DISTRICT ASSIST	111.32	99.42
14900 YAVAPAI COUNTY LIBRA	126.88	121.85
15001 YAVAPAI FLOOD CONTR	44.78	37.50
30000 VALLEY ACADEMY EDUCA	62.19	59.96

PAID

1st HALF 4358
10.10.07
✓ # 7118

PAID

2ND HALF
4358 2.12.08
✓ # 5026

TOTALS

10,090.28

8,717.54

PAYMENT INSTRUCTIONS

To pay the 1st half installment and tax notices under \$100, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2007. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2008. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

Make your check payable to and mail to:

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

PLEASE INCLUDE YOUR
PARCEL NUMBER
 ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
 AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.



918-70-970 2
 0000713 VAL

OAK CREEK WATER CO #1
 C/O DICK SUTTS
 90 OAK CREEK BLVD
 SEDONA AZ 86336

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Dick Sitts
COMPANY NAME	Oak Creek Water

APR 16 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(928) 282-3404

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

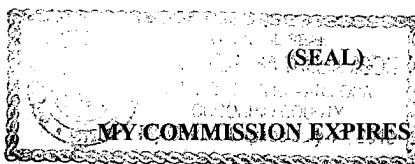
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

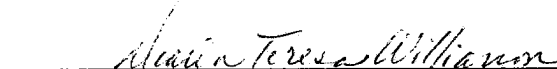
15th

DAY OF

COUNTY NAME	YAVAPAI	
MONTH	APRIL	2008



7-11-2010


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME _____ **YEAR ENDING 12/31/2007**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	_____ -0- _____
Estimated or Actual Federal Tax Liability	_____ -0- _____
State Taxable Income Reported	_____ -0- _____
Estimated or Actual State Tax Liability	_____ -0- _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	_____ -0- _____
Amount of Gross-Up Tax Collected	_____ -0- _____
Total Grossed-Up Contributions/Advances	_____ -0- _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

_____ N / A _____	_____
SIGNATURE	DATE

_____	_____
PRINTED NAME	TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Yavapai
NAME (OWNER OR OFFICIAL) TITLE
Dick Sitts - President
COMPANY NAME
Oak Creek Water

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

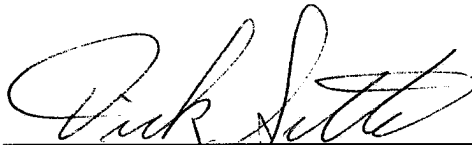
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 280,936.15

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 25,656.61
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

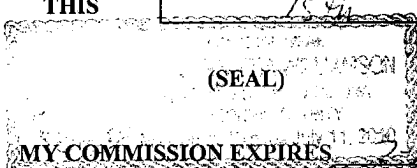
TELEPHONE NUMBER

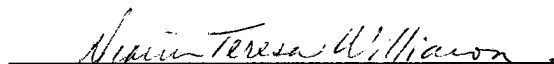
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**

COUNTY NAME	
YAVAPAI	
MONTH APRIL	2008




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 1 1 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) Dick Sitts	TITLE: President
COMPANY NAME: Oak Creek Water Co. No. 1	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2007
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 205,536.46

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 18,770.70
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



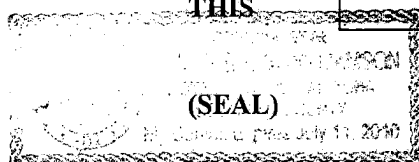
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

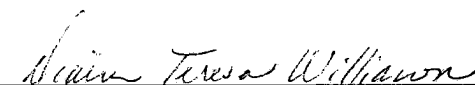
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF**



MY COMMISSION EXPIRES 7-11-2010

NOTARY PUBLIC NAME DIANA TERESA WILLIAMSON	
COUNTY NAME YAVAPAI	
MONTH APRIL	, 2008

X 

SIGNATURE OF NOTARY PUBLIC